GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:433
ANSWERED ON:01.12.2015
Decline in Foodgrain Prices
Ashok Kumar Shri K.

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether a report by United Nations has projected steady decline in prices of foodgrains over the next decade, attributing the gradual price fall to increase in overall agricultural production and diversification of dietary choices towards meat and dairy products;

(b) if so, the details thereof;

(c) whether it is also true that the prices of foodgrains would not fall below early 2000 levels despite the advantageous scenario regarding global food pricing; and

(d) if so, the details thereof?

Answer

THE MINISTER FOR
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)

(a) to (d): Yes Madam. The Report titled 'OECD-FAO Agricultural Outlook 2015-2024'brought out jointly by Organisation for Economic Cooperation and Development (OECD) and Food and Agriculture Organisation (FAO) of United Nations has indicated that in real terms (i.e. after adjusting for inflation), the prices for agricultural products are expected to decline over the next ten years on account of productivity growth, lower input prices and slower demand increases etc.

However, the report provides only plausible scenario based on certain assumptions like macroeconomic conditions, weather conditions, international market developments etc. In so far as foodgrains are concerned Government has put in place a mechanism of price policy wherein Minimum Support Prices (MSPs) are announced for various agricultural crops with the objective that farmers are assured of remunerative price for their produce and to prevent distress sale. In order to insulate the vulnerable sections of society, Government has initiated measures like allocation of foodgrains at affordable prices under Targeted Public Distribution System (TPDS).

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